



OFFICE OF THE MAYOR
CITY OF CHICAGO

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CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

MAYOR EMANUEL ANNOUNCES TENTATIVE SETTLEMENT REACHED FOR SALE AND REDEVELOPMENT OF OLD POST OFFICE

Proposed Buyer Agrees to City's Terms and Deadlines to Move Redevelopment of Longtime Vacant and Decaying Property Forward

Mayor Rahm Emanuel, Alderman Danny Solis, and Planning and Development Commissioner David Reifman today announced a tentative settlement with the proposed buyer of Chicago's old Post Office that establishes a strict timeframe for a private purchase and redevelopment project to move forward. The announcement follows Mayor Emanuel's move in February to take control of the building through eminent domain due to its decades of neglect and deterioration.

"This agreement establishes a strict timeline for the sale and a plan to redevelop the Old Main Post Office and turn it into an economic driver for the city of Chicago," Mayor Emanuel said. "The sooner we conclude this process the sooner we can create thousands of jobs and generate economic opportunities for residents throughout Chicago, while restoring an iconic gateway to the city."

"The buyer appears to be an experienced commercial property owner with the expertise and financial capacity to meet our goals for the building, so we're providing strict terms and conditions for a purchase to close in a timely fashion and a redevelopment plan that's satisfactory to the city to move forward," Mayor Emanuel said.

The tentative settlement includes a deadline of June 1, 2016, for the purchaser, an entity affiliated with 601W Companies, to complete the outright acquisition of the 2.5 million-square-foot structure and adjacent properties currently owned by International Property Developers North America. The city would also require approval of a formal redevelopment plan, including a budget, economic disclosures and financing arrangements, as well as uses, site plans, timelines, phasing and related development and construction details.

Under the tentative settlement the city will suspend both its plan to acquire the building from the current owner and the Request for Proposals (RFP) that was issued last month for its mixed-use redevelopment.

The settlement also requires a formal plan and acceptable schedule to remediate the numerous structural, safety and hazardous conditions that have led to more than more than 20 building code citations since 2012.

"Today's announcement is a direct result of the city seeking control of the property," Ald. Solis said, who helped coordinate the city's efforts the spring. "I'm optimistic this agreement will help the post office achieve its modern potential with one or more uses that contribute to the vitality of the South Loop."

If 601W doesn't meet the strict June 1 deadline to close on the property and complete an acceptable agreement with the city, DPD will immediately restart the RFP and acquisition process that was anticipated to involve the selection of a new developer this summer. The terms require full cooperation by the current owner, which declined to close on at least two proposed sale agreements in recent years.

"We are aware of significant interest in the building from major Chicago developers and we appreciate their interest in responding to the RFP, but we want to keep the public aware about the tentative settlement for this key asset," Reifman said. "The city has agreed to suspend the process, but we will quickly resume it if we are not satisfied the building's future is secured."

International Property Developers North America purchased the old Post Office complex in 2009 and announced a \$1.5 billion mixed-use redevelopment plan three years ago. Initial occupancy was projected to occur by early 2015. No substantive redevelopment work has been undertaken to date.

New York-based 601W reportedly owns Chicago's AON Center and Prudential Plaza, among other buildings.

The iconic post office building was designed by Graham, Anderson, Probst & White and built in phases from 1921 to 1932. Listed on the National Register of Historic Places, it has been vacant since the City's main post office operations relocated in 1995. The proposed purchase includes the adjacent building known as the Sugar House and vacant land.

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